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439 dinary advantages which this place possesses for foreign trade it is wonderful that it has not attracted more observation."[7]

721 175 The lack of attention to Shanghai of which Lindsay complained had been beyond the powers of the foreigners to remedy, as Lindsay discovered for himself when his request for trade privileges there was refused. The tension at Canton finally resulted in open hostilities nine years later. Early in the course of the war of 1841–42 the British occupied the Chusan Islands at the mouth of Hangchow Bay, and interest was revived in making that well-protected site the principal base for British trade, as earlier surveyors, including Lindsay, had suggested.* However the further progress of the war required British occupation of the mainland ports, and a fleet under Sir William Parker, after taking Amoy, Foochow, and Ningpo, arrived off Woosung June 13, 1842, and captured the forts commanding the mouth of the Whangpoo. The British planned to invade the Yangtze valley and by appearing in force on the river and capturing Chinkiang block the movement of rice via the Grand Canal to Peking.

● 728 648 175 Shanghai was taken, and then evacuated by the troops on June 23, in order to concentrate on the advance to Chinkiang and Nanking. The treaty, signed at Nanking on August 29, created the treaty ports already named, where British merchants and their wives could reside permanently, with their own consuls, and importing goods into China under a fixed and nominal tariff (it averaged about 5 per cent *ad valorem*) without any requirement to trade through a Cohong or under official supervision. Article II of the treaty contained the provision that "British subjects shall be allowed to reside, for the purposes of carrying on their mercantile pursuits, without molestation or restraint, in the cities of Canton, Amoy, Foochow, Ningpo, and Shanghai . . . Her Majesty, the Queen of Great Britain (etc.) will appoint superintendents or consular officers to reside at each of the above mentioned cities to be the medium of communication between the Chinese authorities and the said merchants . . ."[8]

No other mention was made in the treaty about foreign rights of

* This plan was not abandoned in favor of Hong Kong until the very end of the war.

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settlement or holding property, and certainly areal concessions were not in the mind of either of the parties. The right to lease land was left to be negotiated in each case through the local officials at the treaty ports, a reflection of Peking's lack of interest in relations with the foreigners. Article XI of the Treaty of Tientsin in 1858 legalized this practice, already developed in the treaty-ports "including the right of residence, of buying or renting houses, of leasing land, and of building churches and cemeteries."[9] On this flimsy legal basis, the political and economic structure of foreign Shanghai was erected.

Trade had escaped from its traditional Chinese cage at Canton, and was able at Shanghai to develop on a Western pattern by Western rules instead of being regulated at every point by semi-official Chinese merchants. The Treaty of Nanking between China and Great Britain was followed in 1843 by the Treaty of Wang Hsia between China and the United States, which extended trade and residence rights in the treaty ports to United States citizens and which also stated explicitly for the first time the condition of extraterritoriality. Similar treaties were negotiated by France and Russia in 1844 and 1858 respectively.

### *The Settlements at Shanghai*

George Balfour, the first British consul at Shanghai, arrived November 8, 1843, and declared the port open to foreign trade on November 14. His primary job was arranging for the leasing of land to foreign traders. His original agreement with the taotai in 1843 provided for an area of about 43 acres within the site selected by Pottinger where foreigners might lease land in perpetuity, since the Chinese at that time refused to sell. The western boundary of this area was extended by similar agreement in 1845 to include a total of about 180 acres, and in 1849 the boundary was moved farther west to Defense Creek, bringing the area of the British Settlement to 470 acres (map 6). The maps attached to each of these agreements were lost when the Chinese city was taken by rebel forces in 1853 and when the British Consulate burned in 1870, and the boundaries of the Settlement were not demarcated at all until 1889.

Foreign merchants who leased land within this Settlement had to agree by contract to allow the former Chinese owners to visit their